

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

W-01831A
Sandario Water Company
PO Box 85160
Tucson, AZ 85754

RECEIVED

APR 01 2008

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

4-1-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Sandario Water Company, Inc.		
Mailing Address P.O. Box 85160		
(Street)		
Tucson	AZ	85754
(City)	(State)	(Zip)
520-623-5172	520-792-0377	
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address		
Local Office Mailing Address same as above		
(Street)		
(City)	(State)	(Zip)
Local Office Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address		

MANAGEMENT INFORMATION

Management Contact: Southwestern Utility Management, Inc.			
(Name)		(Title)	
2102 N. Forbes, #107	Tucson	AZ	85745
(Street)	(City)	(State)	(Zip)
520-623-5172	520-792-0377		
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			
On Site Manager: Steve Siegfried			
(Name)			
2102 N. Forbes, #107	Tucson	AZ	85745
(Street)	(City)	(State)	(Zip)
520-623-5172	520-792-0377		
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address			

☐ Please mark this box if the above address(es) have changes or are updated since the last filing.

Statutory Agent Ezra H. Lewis			
(Name)			
2102 N. Forbes, #107	Tucson	AZ	85745
(Street)	(City)	(State)	(Zip)
520-623-5172	520-792-0377		
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney:			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

☐ Please mark this box if the above address(es) have changes or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to you company:

- | | |
|--|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-Op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-Op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|---|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D (OC less AD)
301	Organization	400	---	400
302	Franchises	700	351	349
303	Land and Land Rights	850	---	850
304	Structures and Improvements	23211	14500	8711
307	Wells and Springs	53943	29427	24516
311	Pumping Equipment	79859	34396	45463
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	55858	32587	23271
331	Transmission and Distribution Mains	493009	283667	209342
333	Services	54231	21490	32741
334	Meters and Meter Installations	31232	15335	15897
335	Hydrants	389	179	210
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	3025	2093	932
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	3552	1587	1965
	TOTALS	800259	435612	364647

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)*
301	Organization	400		
302	Franchises	700	5%	18
303	Land and Land Rights	850		
304	Structures and Improvements	23211	5%	458
307	Wells and Springs	53943	5%	1290
311	Pumping Equipment	79859	5%	2393
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	55858	5%	1225
331	Transmission and Distribution Mains	493009	5%	11102
333	Services	54231	5%	1723
334	Meters and Meter Installations	31232	5%	837
335	Hydrants	389	5%	11
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	3025	5%	49
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	3552	5%	103
	TOTALS	800259		19209

This amount goes on Comparative statement of Income and Expense
Acct. No. 403.

Less: Amortization of Contributions in Aid of Construction
Depreciation for 2007 is calculated on O.C.L.D.

(2070)
\$ 17139

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 10169	\$ 9824
134	Working Funds		
135	Temporary Cash Investments	109885	99384
141	Customer Accounts Receivable	9642	14936
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 129696	\$ 124144
	FIXED ASSETS		
101	Utility Plant in Service	\$ 788343	\$ 800259
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(416403)	(435612)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 371940	\$ 364647
	TOTAL ASSETS	\$ 501636	\$ 488791

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 4908	\$ 4690
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	16567	16455
236	Accrued Taxes	526	515
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 22001	\$ 21660
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes Payable	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	331330	335688
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	71720	71720
272	Less: Amortization of Contributions	(30321)	(32391)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 372729	\$ 375017
	TOTAL LIABILITIES	\$ 394730	\$ 396677
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1000	\$ 1000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	105906	91114
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 106906	\$ 92114
	TOTAL LIABILITIES AND CAPITAL	\$ 501636	\$ 488791

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 116965	\$ 116662
460	Unmetered Water Revenue		
474	Other Water Revenue	705	480
	TOTAL REVENUES	\$ 117670	\$ 117142
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	18448	18989
618	Chemicals	26	42
620	Repairs and Maintenance	2769	1055
621	Office Supplies and Expense	3387	5208
630	Outside Services	53122	56345
635	Water Testing	647	3021
641	Rents		
650	Transportation Expense	5227	5603
657	Insurance – General Liability	4102	5138
659	Insurance – Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1072	1095
403	Depreciation Expense	15941	17139
408	Taxes Other Than Income		
408.11	Property Taxes	8791	8415
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 113532	\$ 122050
	OPERATING INCOME/(LOSS)	\$ 4138	\$ (4908)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 4672	\$ 4565
421	Non-Utility Income	434	608
426	Miscellaneous Non-Utility Income		
427	Interest Expense	(63)	(57)
	TOTAL OTHER INCOME/(EXPENSE)	\$ 5043	\$ 5116
	NET INCOME/(LOSS)	\$ 9181	\$ 208

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principal	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 9387.11

Meter Deposits Refunded During the Test Year \$ 1722.00

COMPANY NAME Sandario Water Company, Inc.	
Name of System	ADEQ Public Water System Number: 10-093

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-603405	15	80	538	8	4	
55-518208	50	270	611	12	4	1987

*Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (Gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	1		
17	2		
7.5	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
12000	4	2500	1
20000	1	5000	1

COMPANY NAME Sandario Water Company, Inc.	
Name of System	ADEQ Public Water System Number: 10-093

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	Galv Iron	660
3	ABS Cem	4530
4	ABS Cem	7308
5		
6	ABS Cem	20535
8		
10		
12		
2	Sch 40 PVC	710
3	CL 160 PVC	330
4	CL 160 PVC	5865
6	CL 160 PVC	18123

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 x 3/4	343
3/4	3
1	4
1 1/2	1
2	3
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

NONE

STRUCTURES:

700' OF 6' CHAIN LINK FENCE

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Sandario Water Company, Inc.	
Name of System:	ADEQ Public Water System Number: 10-093

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	350	2,177	2,177	0
FEBRUARY	350	2,107	2,243	0
MARCH	351	2,207	2,278	0
APRIL	351	3,321	3,600	0
MAY	351	3,252	3,600	0
JUNE	351	4,849	5,167	0
JULY	353	4,992	5,435	0
AUGUST	354	3,350	3,484	0
SEPTEMBER	354	3,077	3,309	0
OCTOBER	354	3,036	3,206	0
NOVEMBER	354	3,178	3,431	0
DECEMBER	354	2,304	2,523	0
TOTALS →		37,851	40,454	0

What is the level of arsenic for each well on your system? 0.0074
(If more than one well, please list each separately.) 0.0069 mg/l

If system has fire hydrants, what is the fire flow requirement? N/A GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount:

Note: If you are filing for more than one system, please provide separate data sheets for each system.

PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2007 was \$ 8415.31

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property tax paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 01 2008

AZ CORP COMM
PacifiCo Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY OF (COUNTY NAME)) Pima	
NAME (OWNER OR OFFICIAL) Ezra H. Lewis	TITLE President
COMPANY NAME Sandario Water Company, Inc.	

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

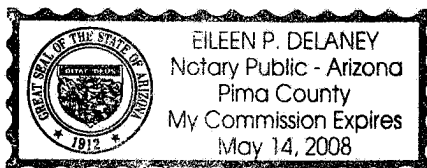
MONTH 12	DAY 31	YEAR 2007
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS. PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.




SIGNATURE OF OWNER OR OFFICIAL


520-623-5172
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF**
THIS 27th DAY OF

COUNTY NAME PIMA	
MONTH MARCH	20 <u>08</u>

(SEAL)

MY COMMISSION EXPIRES May 14, 2008


SIGNATURE OF NOTARY PUBLIC

See Accountants' Report.

INCOME TAXES

For this reporting period, please provide the following:

Federal Taxable Income Reported

Estimated or Actual Federal Tax Liability

S Corporation

State Taxable Income Reported

Estimated or Actual State Tax Liability

S Corporation

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

Amount of Gross-Up Tax Collected

Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE3/27/08
DATEEzra H. LewisPRINTED NAMEPresidentTITLE

RECEIVED

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

APR 01 2008

ARIZONA CORPORATION COMMISSION
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 124563.00

**(THE AMOUNT IN THE BOX ABOVE
INCLUDES \$ 7421.00
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL

520-623-5172
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

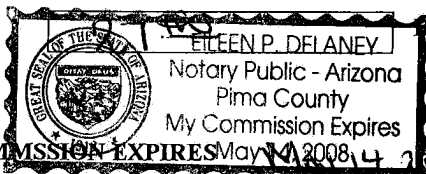
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS _____ DAY OF _____

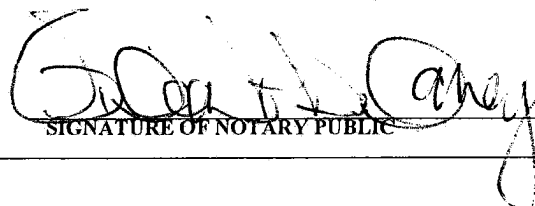
(SEAL)

MY COMMISSION EXPIRES May 14, 2008

See Accountant's Report.



COUNTY NAME <u>PIMA</u>	
MONTH <u>MARCH</u>	YEAR <u>2008</u>


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

APR 01 2008

AZ CORP COMM
Director Utilities

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

(COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Ezra H. Lewis	TITLE President
COMPANY NAME Sandario Water Company, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS. PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01 ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

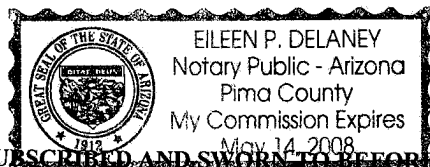
\$ 122886.80

(THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 7294.98

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**



SUBSCRIBED AND SWORN TO BEFORE ME

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS**

27th DAY OF

(SEAL)

MY COMMISSION EXPIRES

See Accountants' Report

Ezra H. Lewis
SIGNATURE OF OWNER OR OFFICIAL

544-1623-5172
TELEPHONE NUMBER

NOTARY PUBLIC NAME EILEEN P. DELANEY	
COUNTY NAME PIMA	
MONTH MARCH	YEAR 2008

Eileen P. Delaney
SIGNATURE OF NOTARY PUBLIC

HOLM, HESTAND & VALENZUELA, CPAs, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
3131 NORTH COUNTRY CLUB ROAD, SUITE 109
TUCSON, ARIZONA 85716

DOUGLAS R. HOLM, CPA
EMMA K. HESTAND, CPA
JANETTE G. VALENZUELA, CPA

TELEPHONE: (520) 326-8483
FAX: (520) 795-5191
E-MAIL: HHVCPA@EARTHLINK.NET

We have compiled the balance sheets of Sandario Water Company, Inc. as of December 31, 2007 and 2006, and the related comparative statements of income and expense for the years then ended, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above, and accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Holm, Hestand - Valenzuela CPAs P.C.

March 18, 2008

Amount Due 3,972.53

Delinquency Date First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. November 1, 2007 (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$100 or less must be paid using the first payment coupon—due October 1, 2007.

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2007. Delinquent interest will be waived.



Beth Ford, Pima County Treasurer
Pima County Treasurer's Office
PO BOX 29011
Phoenix AZ 85038-9011



Would you like a receipt?
Check here.



Change of mailing address? Please
check here and fill out the form on the
back of this slip.

\$ 3972.53

2007 9293060209 1 00000794506 00000397253

2007 FIRST HALF PAYMENT COUPON

Due October 1, 2007

Amount Due 134.49

Delinquency Date First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. November 1, 2007 (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$100 or less must be paid using the first payment coupon—due October 1, 2007.

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2007. Delinquent interest will be waived.

DETACH AND RETURN WITH PAYMENT

SANDARIO WATER CO

211 08 0150

Print the above state code # on your check.

Payment in U.S. FUNDS ONLY

Make check payable to:

Pima County Treasurer

Please indicate the amount of your payment.

\$ 134.49



Beth Ford, Pima County Treasurer
Pima County Treasurer's Office
PO BOX 29011
Phoenix AZ 85038-9011



Would you like a receipt?
Check here.



Change of mailing address? Please
check here and fill out the form on the
back of this slip.

2007 2110801509 1 00000026897 00000013449

SANDARIO WATER CO., INC.

P.O. BOX 85160
TUCSON, AZ 85754
(520) 623-5172

WELLS FARGO BANK, N.A.
WWW.WELLSFARGO.COM
91-527/1221

2810

PAY TO THE
ORDER OF

Beth Ford, Pima County Treasurer

\$ **4,129.26

10/10/2007

Four Thousand One Hundred Twenty-Nine and 26/100 ***** DOLLARS

Beth Ford, Pima County Treasurer
Pima County Treasurer's Office
PO Box 98765
Phoenix, AZ 85038-0765

VOID AFTER 90 DAYS

MEMO:

[Signature]

⑈002810⑈ ⑆122105278⑆5306074260⑈

SANDARIO WATER CO., INC.

2810

Beth Ford, Pima County Treasurer

Date	Type	Reference	Original Amt.	Balance Due	10/10/2007 Discount	Payment
9/18/2007	Bill	1st Half 2007	3,972.53	3,972.53		3,972.53
9/18/2007	Bill	1st/2nd Half 2007	22.24	22.24		22.24
9/18/2007	Bill	1st Half 2007	134.49	134.49		134.49
				Check Amount		4,129.26

2006 SECOND HALF PAYMENT COUPON

Due March 1, 2007

Amount Due 141.19

Delinquency Date Second Half Payment
Penalty for late payment is 16% per year
prorated monthly as of the 1st day of the month
for payments postmarked after 5:00 P.M.
May 1, 2007 (ARS 42-18052 and ARS 42-18053).



Beth Ford, Pima County Treasurer
Pima County Treasurer's Office
PO BOX 29011
Phoenix AZ 85038-9011

SANDARIO WATER CO
211 08 01508
Print the above state code # on your check.
Payment in U.S. FUNDS ONLY
Make check payable to:
Beth Ford, Pima County Treasurer
Please indicate the amount of your payment.
\$ 141.19

☒ Would you like a receipt?
Check here.
☐ Change of mailing address? Please
check here and fill out the form on the
back of this slip.

2006 2110801509 2 00000028239 00000014119

2006 SECOND HALF PAYMENT COUPON

Due March 1, 2007

Amount Due 4,144.86

Delinquency Date Second Half Payment
Penalty for late payment is 16% per year
prorated monthly as of the 1st day of the month
for payments postmarked after 5:00 P.M.
May 1, 2007 (ARS 42-18052 and ARS 42-18053).

DETACH AND RETURN WITH PAYMENT



Beth Ford, Pima County Treasurer
Pima County Treasurer's Office
PO BOX 29011
Phoenix AZ 85038-9011

SANDARIO WATER CO
929 30 60207
Print the above state code # on your check.
Payment in U.S. FUNDS ONLY
Make check payable to:
Beth Ford, Pima County Treasurer
Please indicate the amount of your payment.
\$ 4,144.86

☒ Would you like a receipt?
Check here.
☐ Change of mailing address? Please
check here and fill out the form on the
back of this slip.

2006 9293060209 2 00000828972 00000414486

SANDARIO WATER CO., INC.
P.O. BOX 85160
TUCSON, AZ 85754
(520) 623-5172

WELLS FARGO BANK, N.A.
WWW.WELLSFARGO.COM
91-527/1221

2721

4/18/2007

PAY TO THE
ORDER OF Beth Ford, Pima County Treasurer

\$**4,286.05

Four Thousand Two Hundred Eighty-Six and 05/100 ***** DOLLARS

Beth Ford, Pima County Treasurer
Pima County Treasurer's Office
PO Box 98765
Phoenix, AZ 85038-0765

VOID AFTER 90 DAYS

MEMO:

[Signature]

002721 12210527815306074260

SANDARIO WATER CO., INC.

2721

Security Features. Details on back.